## Congress of the United States Washington, DC 20515

April 8, 2022

The Honorable Katherine C. Tai United States Trade Representative Office of the United State Trade Representative 600 17th Street, NW Washington, DC 20508

## Dear Ambassador Tai:

As bipartisan Members of Congress who support deepening our economic and trade engagement in the Indo-Pacific region, we encourage you to negotiate market access provisions through trade agreements with friends and partners in the Indo-Pacific as swiftly as possible.

The Indo-Pacific accounts for \$1.75 trillion in annual trade with the United States, receives 30 percent of U.S. goods and services exports, and supports millions of American jobs. More specifically, the Member States of the Association of Southeast Asian Nations (ASEAN) constitute America's 2<sup>nd</sup> largest export destination in Asia (\$94 billion in 2021) and U.S.-ASEAN trade is expected to grow by 4 to 5 percent annually. These countries offer major opportunities for American-made goods and services.

The U.S. withdrawal from the Trans-Pacific Partnership agreement in 2017 led Asian governments to pursue several regional and bilateral preferential trade agreements without the United States. These agreements—including the Regional Comprehensive Economic Partnership (RCEP), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Digital Economy Partnership Agreement (DEPA), and a variety of digital economy agreements (DEAs)—have served to transform the Indo-Pacific's regional trade and digital economy architecture. Meanwhile, America's leading trade competitors outside of Asia—like the European Union, Canada, and Mexico—are strengthening their own economic engagement with nations in the Indo-Pacific.

These developments are generating two trends that the United States must address in order to support American workers, small businesses, and farmers. First, America's limited participation in agreements or frameworks involving Indo-Pacific nations means that the next generation of commercial rules and standards governing trade with Asia are increasingly being written without American input. Second, American-made goods and services are at a competitive disadvantage because tariffs on U.S. exports to the Indo-Pacific are relatively higher than tariffs on our competitors' exports to the region.<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup> <u>See</u> Comparison of Tariff Rates on U.S. and Other Trading Partners' Exports to ASEAN, Congressional Research Service Memorandum Prepared for Rep. Murphy (Feb. 11, 2022). As CRS notes: "The large network of ASEAN trade agreements will—and, in some cases, has begun to—result in significant tariff

As you and Secretary Raimondo work with like-minded trade partners on items of shared interest in the Indo-Pacific Economic Framework, it is critically important that you protect the competitiveness of American products in this region by ensuring that these trends are reversed. To this end, we urge you to work to secure enhanced market access for American exporters in ASEAN Member States.

Sincerely,

Stephanle Murphy Member of Congress Carol D. Miller
Member of Congress

Adrian Smith

Member of Congress

Brad R. Wenstrup, D.P.M.

Member of Congress

Ann Wagner

Member of Congress

Darin LaHood

Member of Congress

Ken Buck

Member of Congress

Blake Moore

Member of Congress

Young Kim

Member of Congress

Steve Chabot

Member of Congress

reductions among ASEAN countries and their trade agreement partners, which will increasingly place U.S. exports to ASEAN countries at a disadvantage relative to exports from countries that participate in either regional or bilateral trade agreements with ASEAN members. Major trading partners involved in such agreements include: Australia, Canada, China, the European Union (EU), Japan, Mexico, and South Korea."

Gregory F. Murphy, M.D. Member of Congress